

LAWRENCE & ASSOCIATES, INC.

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Lawrence Tax Service

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2017 ENGAGEMENT LETTER

Dear Lawrence Tax Service Client:

Thank you for selecting Lawrence Tax Service (LTS) to assist you with your tax preparation, planning and audit representation needs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

During calendar year 2017, we will prepare your 2016 Federal, and if necessary all state, income tax returns you request using information you provide to us. We may ask for clarification of some items, per IRS Circular 230 Due Diligence Standards, but we will not audit or otherwise verify the data you submit.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions for a period of no less than eight years from filing. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the returns, so you should review them carefully before signing.

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns. Nor do we customarily prepare payroll or pension returns.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise, we will apply the "REASONABLE BELIEF THAT THE TAX TREATMENT OF THE POSITION WAS MORE LIKELY THAN NOT THE PROPER TREATMENT" standard to resolve such issues in your favor where possible.

The law imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us. Certainly contact us should you receive any notices from the taxing authorities.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal and any tax, penalties and interest deficiencies are entirely your obligation. In the event of a tax examination, we can arrange to be available to represent you. Our fees for such representation will be based on the hourly rate charged by the LTS personnel assigned to your case. Fees and expenses for defending the returns will be invoiced on a monthly basis and due upon receipt in accordance with terms we agree on for that engagement.

Our fee for preparation of your tax return is normally based on the attached minimum fee schedule that is updated on a yearly basis. Our tax preparation fee will be greater than the minimum fee per the schedule in the event that the time involved in preparing your return, charged at the hourly rate of the personnel assigned to your case, exceeds the minimum fee per the schedule. In addition, tax planning and consultation services are charged at the hourly rate of the LTS tax personnel assigned to your case. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. In addition, we may notify the taxing authorities to remove our name as a paid preparer of your return, thus avoiding the responsibility as a paid preparer, should your invoice remain unpaid by year end.

We will retain copies of records you supplied to us along with our work papers for your engagement for a period of not to exceed four years or the standard statute of limitations if shorter. After such time, our work papers and engagement files will be destroyed. All of your original records will be returned to you at the end of this engagement when the services rendered are initially complete. You should keep the original records in secure storage for future reference.

Client Privacy Policy: Located on our website and provided in a separate document available upon request. Please know, we do not share your private tax information with anyone (e.g. lenders, mtg brokers, etc.) without obtaining your written permission because that's the law.

Foreign Asset Disclaimer: LTS has made you aware that U.S. taxpayers are required to report their worldwide income, that is, income from both U.S. and foreign sources. In addition, taxpayers who own, have an interest in, or signature or other authority over, assets in a foreign country, may be required to report the existence of the asset. Client agrees and indemnifies LTS that client has reported to LTS any and all foreign assets in which client has either ownership or signatory authority including but not limited to funds in foreign financial institutions, real estate, rights to foreign pension plans, rights to distributions from foreign estates or trusts, life insurance with cash surrender values or any other foreign assets. Failure to comply with these U.S. laws could result in severe penalties.

Worker Classification Disclaimer: Client agrees that LTS will not be responsible for advising client with respect to independent contractor status as part of the LTS services. If client has any questions regarding the classification of employees versus independent contractors, LTS strongly encourages client to consult with legal counsel experienced in employment practice matters.

Affordable Care Act (ACA) Disclaimer: Client agrees that LTS will not be responsible for advising client with respect to ACA rules other than to prepare the required income tax forms and schedules related to regular annual income tax filing per this engagement agreement. Furthermore, client acknowledges receipt of the January 1, 2015 (updated on LTS website 11-4-16) ACA client letter and confirms qualifying coverage if documentation of health insurance coverage is not available.

Additional conditions of this engagement, if applicable, are attached or referenced below: _____

Related Entity Returns to be prepared for which the parties waive potential conflicts:

1040 _____ 1065 _____
1041 _____ 1120/S _____

To indicate that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided. We appreciate your confidence in us. Please call if you have questions.

- Lawrence Tax Service
- Miles C. Lawrence, E.A.
- Richard Moore, EA
- Tom Rice, EA

AGREED TO and ACCEPTED BY CLIENT:

Signature(s): _____ **Date:** _____

Client(s) Name: _____

Address: _____

MINIMUM FEE SCHEDULE FOR INCOME TAX SERVICES PROVIDED IN 2017

Client _____ **Date** _____ **Tax Year** _____ **Preparer** _____
Mail _____ **To Pick Up** _____ **Paid** _____ **Bill** _____

Personal Return (incl ACA compliance)		Other Schedules	
Long Form Sch. A	350.00 _____	Accounting Method (3115)	100.00 _____
Long Form, Std. Deduction	250.00 _____	Moving Expenses (3903)	60.00 _____
Out of State Return	150.00 _____	Employee Bus. Exp. (2106)	90.00 _____
Short Form	150.00 _____	Add Medicare Tax (8959)	50.00 _____
Form 1040EZ	100.00 _____	Casualty Loss (4684)	75.00 _____
Form 1045	300.00 _____	Estimated Tax (1040ES)	50.00 _____
Schedule C & F		Underpymt. Pen. Com (2210)	50.00 _____
Business or Farm Income	175.00 _____	Ext Time File (4868/7004).	50.00 _____
Short EZ Sch C/F	100.00 _____	Net Inv Inc Tax (8960)	100.00 _____
Self Employ. Tax Sch.SE	25.00 _____	Net Operating Losses	200.00 _____
Depreciation Schedule @	10.00 _____ per item	At Risk Limitation (6198)	65.00 _____
Home Office Comp.(8829)	100.00 _____	Investment Interest (4952)	80.00 _____
Schedule D Transactions		Deceased Taxpayer Ref (1310)	50.00 _____
Schedule D (per form)	40.00 _____	Alternative Min. Tax (6251)	60.00 _____
Form 8949 (each)	10.00 _____ per item	Kiddie Tax Comput. (8615)	80.00 _____
Form 8453 Spc Attachment	50.00 _____	Parent's Election (8814)	50.00 _____
Calcul. of Mut. Fund Basis	50.00 _____	Non Cash Contributions (8283)	50.00 _____
Bad Debt Loss	40.00 _____	Household Employees (Sch.H)	75.00 _____
Qlf Sm Bus Stock	150.00 _____	Production Activity (8903)	300.00 _____
Sale of Residence	100.00 _____	Health Savings Acct (8889)	75.00 _____
Sch. 4797 Trans. / Recap.	75.00 _____	Power of Attorney (2848)	50.00 _____
Installment Sale (6252)	50.00 _____	Install Agreement Req (9465)	25.00 _____
Tax Deferred Exch (8824)	300.00 _____	Tax Credits	
CA Form 3840	100.00 _____	Child Tax Credit (8812/8967)	75.00 _____
Capital Loss Carryover	40.00 _____	Sm ER Hlth Ins Cr (8941)	300.00 _____
Foreclosure, Short Sale, COD		Child Care Credit (2441)	50.00 _____
Income & Repos (982)	500.00 _____	Recapture of Inv Tax Cr (4255)	45.00 _____
Other Income Items		Earned Inc Cr (EIC/8867)	150.00 _____
Schedule B (Int/Div)	5.00 _____ per item	Tax Paid to Other State	60.00 _____
Rental Property (Sch.E)	85.00 _____ each	Energy Credit (5695)	50.00 _____
Depreciation-Est. Basis	50.00 _____	Minimum Tax Credit (8801)	70.00 _____
Depreciation Schedule		Education Credits (8863)	75.00 _____
_____ @ \$10.00 per item	_____	Other Items	
Partnership, Trust (K-1)	75.00 _____ each	Amended Prior Yr Tax Return	300.00 _____
Passive Loss limit (8582)	75.00 _____	Compute W-4	30.00 _____
Pension Items		Extra Copy of Return	25.00 _____
I.R.A. (8606)	50.00 _____	Postage-Handling	15.00 _____
Keogh-SEP-Simple-Solo	75.00 _____	Form 1099 or W-2 Prep.	50.00 _____ each
401k-DB/DC		Minimum Fee per Appt.	280.00 _____
Premature Distrib (5329)	50.00 _____	Client change rerun	50.00 _____
IRA (Roth, Reg., Ed.)	50.00 _____	Trust Return (1041)	600.00 _____
Minimum Distrib. Calculation	40.00 _____	Corporate return (1120)	850.00 _____
Rollover/Conversions/Rechar	40.00 _____	Partnership Return (1065)	850.00 _____
Foreign Items		Consulting & Audit Rep hourly rates:	
Foreign Tax Credit (1116)	50.00 _____	MCL \$280; RM \$180, TR \$160	
Foreign Income (2555)	200.00 _____		
Form 114 (was TD F90-22.1)	150.00 _____		
Form 8938	300.00 _____		

Computer, E-File & Gen Admin Charges 150.00 _____
 There will be an additional charge for any
 schedules not listed.
Total Fee _____

- (1) The LTS fee charged clients will be equal to the practitioner's hourly rate times hours worked unless the above Minimum Fee Schedule based on the forms and schedules required to complete the return adds up to a greater charge.
- (2) Payment is due at the time services are rendered and considered late if not remitted within 30 days of invoicing. LTS reserves the right to charge a finance charge equal to 1% per month for all late accounts receivable. Furthermore, unpaid invoices outstanding as of December 31, 2017 may be reported to IRS so that LTS is removed as the preparer of such filed returns.